"New Jersey should not have a casino operated in Atlantic City indefinitely under unresolved questions such as those identified in the attorney general's report," Mr. Byrne said.

The report cited the Mary Carter Paint Company for making land deals in the Bahamas "with individuals of unsuitable character and nature," hiring Sir Stafford Sands, a Bahamian cabinet minister, to do legal work, and forming a partnership with persons connected to a Cuban casino controlled by Lansky.

A year after its first casino opened in Paradise Island, the company became known as Resorts International when the board chairman, James M. Crosby, sold the Mary Carter name to Delafield Industries in 1968.

The state said Resorts International failed to reveal "all information" about its connections with casino junketeers, several of whom were cited for "criminal associations."

Mr. Davis, the Resorts president, kept funds locked in a safe for unreported "goodwill" payments to Bahamian political officials that totaled nearly $12,000 during a three-year period ending in 1973, the report said.

In addition, the report said the company pays a $37,000 salary to Seymour Alter, a "special projects director" who once admitted he attempted to bribe a judge and supplied "female companions to Bahamian public officials."

Mr. Probinsky told state investigators he had nothing derogatory to conceal about Resorts. He said his contract was for help he gave Mr. Crosby in forming a friendship with Lynden O. Pindling, the Bahamian premier, for whom he worked as a campaign manager and fund-raiser.

Mr. Probinsky, an associate of Michael McClaney, a former Havana casino operator who was ousted from the Bahamas as an undesirable, reportedly told state investigators he was disliked by several top Resorts executives.

In a separate 1976 contract with Resorts, Mr. Probinsky said there was a condition that he stay out of Atlantic City. His existing contract calls for full payment only if Resorts receives a permanent casino license, the report said.

The Resorts casino operation in the Bahamas also was cited by the state for being "materially deficient of accounting and internal controls."

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FD-350 (Rev. 10-19-77)

(Mount Clipping in Space Below)

N.J. objects to casino's 'disreputable' links

Trenton (AP)—Corporate links with "disreputable persons" and a mysterious $350,000 contract for a man to keep quiet were among objections cited yesterday by the New Jersey attorney general's office to granting a permanent casino license to Resorts International, Inc.

The 115-page state report charged that officials of Resorts and the Mary Carter Paint Company, its corporate predecessor, had extensive dealings with associates of a reputed underworld financial wizard, Meyer Lansky, in setting up its Paradise Island casino in the Bahamas.

The company entered a contract last month to pay David Probinsky, a former Wildwood (N.J.) real estate broker and Bahamian political fund-raiser, up to $35,000 a year for 10 years to avoid critical statements about Resorts, the report charged.

"On their face, these provisions appeared to compel Probinsky's silence on any negative information regarding the applicant," the report said.

Mr. Probinsky, 57, now in Miami, also was given an option to purchase 37,500 shares of Resorts common stock at $4.54 a share in return for his silence, the state said.

Resorts International A and B shares were the most active issues and the largest percentage losers on the American Stock Exchange yesterday. Resorts A closed at 27¼, down 4⅝, and Resorts B closed at 46, down 6.

At hearings set to begin January 15 in Atlantic City, Resorts must show "by clear and convincing evidence" it qualifies for a permanent casino license, said John Degnan, the state attorney general.

The company opened the East's first legal casino in Atlantic City last May with a temporary casino license that expires in February.

President I. C. Davis, Jr., president of Resorts International, called the report "a very unbalanced presentation of information that has been known publicly for years and most of which we, ourselves, volunteered to the Division of Gaming Enforcement many months before we were granted our temporary permit."

Gov. Brendan T. Byrne urged the Casino Control Commission to hold "prompt hearings" on the Resorts application and said he opposed any extension of the temporary casino permit.

(Indicate page, name of newspaper, city and state.)

SUN PAPER

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